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RUEHUL/AMEMBASSY SEOUL 4891  
RUEHKO/AMEMBASSY TOKYO 2478  
RUEHWL/AMEMBASSY WELLINGTON 3054  
RUEHHK/AMCONSUL HONG KONG 2956  
RUEHBAD/AMCONSUL PERTH 1120  
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C O N F I D E N T I A L SECTION 01 OF 02 JAKARTA 001722

SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, EAP/PD, DRL/AWH

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TAGS: [PGOV](#) [KDEM](#) [KPAO](#) [ID](#)

SUBJECT: NEWS MAGAZINE LOSES LIBEL SUIT SPARKING PRESS  
FREEDOM CONCERNS

JAKARTA 00001722 001.2 OF 002

Classified By: Pol/C Joseph L. Novak, reasons 1.4(b+d).

[¶1.](#) (C) SUMMARY: A leading Indonesian news weekly was recently found guilty of defamation, fined, and ordered to print an apology to a large company. The case revolved around an investigative report reviewing claims that the company was guilty of tax evasion. The magazine says it will appeal the verdict.

[¶2.](#) (C) SUMMARY (Con'd): Contacts say the ruling raises freedom of press concerns. The ruling comes against the backdrop of a 2007 case where TIME magazine was found guilty of defamation and ordered to pay an enormous fine. Despite these rulings, Indonesia maintains a largely vigorous, independent media which expresses a wide variety of views generally without restriction. END SUMMARY.

#### MAGAZINE LOSES CASE

[¶3.](#) (U) A leading weekly news magazine recently lost a much watched case. TEMPO magazine was found guilty by the Central Jakarta District Court of defamation, and ordered to pay Asian Agri Group approximately \$5,300 in damages and publish an apology in three of its publications. Asian Agri Group (AAG), one of Asia's largest privately-owned palm oil businesses, sued TEMPO for publishing an investigative report in January 2007 about alleged tax evasion involving the company. AAG is a subsidiary of Raja Garuda Mas Group, one of the country's wealthiest conglomerates.

[¶4.](#) (U) The ruling is the second such case brought against the company recently. In July, the South Jakarta District Court ordered Koran Tempo, a newspaper linked to the magazine, to pay \$23,500 and publish an apology in its media outlets for seven days in a similar case involving Riau Andalan Pulp and Paper, an Asian Agri subsidiary. Riau Andalan is owned by Sukanto Tanoto, one of Indonesia's richest men, with an estimated net worth of \$3.8 billion.

#### RULING RAISES CONCERNS

[¶5.](#) (C) The ruling has sparked concerns. Abdul Manan of the

Alliance of Independent Journalists (AJI) told us the ruling was "a blow" to press freedom. He said the judges were still using "old methods" of settling cases--use of the criminal code versus press freedom legislation. He warned that this could become the new modus operandi for wealthy businesspeople who dislike the media and any critical views of business issues. "At least the judge did not fully comply with the financial demand," he said--AGG originally sought \$580,000 in damages.

¶6. (C) Echoing Manan's points, Sunudyantor (one name only) of TEMPO's editorial staff told us the ruling threatened press freedom. "It is strange that the defamation ruling was given out before the tax fraud issue has even been tried," he said. The court used opinions from "experts" who said that corruption cases cannot be reported in the media before they have gone through the legal process. He said this created a risky precedent whereby no suspected corruption cases could be reported pre-trial.

¶7. (C) Kurie Suditomo, a TEMPO journalist, said the judge did not even consider the investigative information or the data in the case. "We lost," she said, "but we will appeal." "The Indonesian justice system has a long way to go in order to reform itself--it continues to be a source of corruption," she said. Philipus Parera, a TEMPO magazine journalist told us, "The verdict is so disappointing. When the law permits people to criminalize the press because it does a good job--telling people that their money is being stolen by a bad guy--it is time to say goodbye to investigative reporting."

¶8. (U) The TEMPO reporter who investigated the Asian Agri Group case, Metta Dharmasaputra, won the prestigious Udin

JAKARTA 00001722 002.2 OF 002

Award for exceptional contributions to press freedom in Indonesia for his report. He reportedly was harassed after the publication of the report, though it is not clear by whom.

STILL A LARGELY POSITIVE ENVIRONMENT

¶9. (SBU) This case comes against the backdrop of an earlier ruling that was very problematic. In 2007, Indonesia's Supreme Court awarded ex-dictator Suharto (who is now deceased) \$129 million in damages in a libel lawsuit filed against TIME magazine for reporting that Suharto and his six children had accumulated \$18 billion of wealth during his tenure. The court also ordered TIME to print an apology. TIME is seeking a judicial review of the ruling.

¶10. (C) The TEMPO and TIME rulings are negatives. That said, Indonesia maintains a largely vigorous, independent media which expresses a wide variety of views generally without restriction.

HUME